



CGU Professional Risks Medical Indemnity Insurance

Summary of significant changes:

Medical Establishment Indemnity Insurance Policy (CGU MAL EST 04-12)

Replacing:

Malpractice Establishments Insurance Policy (CGU MAL/EST 03/03)

Section	Change	Explanation
3.2 The types of Claims We Cover	<ul style="list-style-type: none">Expansion of cover	<p>Cover is expanded to include all Civil Liabilities not specifically excluded by Section 6 of the new Policy.</p> <p>Previously Cover was restricted to the Civil Liabilities specified in Section 3.2 of the old policy.</p>
3.2 a) Breach of Duty (formerly "Malpractice")	<ul style="list-style-type: none">Expansion of cover	<p>Cover is expanded to breach of duty including breach of confidentiality, fiduciary duty and privacy.</p> <p>Cover was previously restricted to a breach of professional duty.</p>

Section	Change	Explanation
3.2 e) Dishonest and Fraudulent cover (including Medicare Benefits Fraud)	<ul style="list-style-type: none"> Expansion of cover 	<ul style="list-style-type: none"> Cover is expanded to include dishonest, fraudulent, criminal or malicious acts, errors or omissions of all person(s) otherwise the subject of Cover under the Policy. Previously Cover was restricted to such acts, errors or omissions being perpetrated only by an Employee or Principal. No Cover is granted to the person perpetrating such act, error or omission. This Cover now also includes Medicare Benefits Fraud.
3.2 f) Intellectual Property	<ul style="list-style-type: none"> Expansion of cover 	<p>Cover is expanded to include unintentional infringement of Intellectual Property.</p>
3.2 g) Misleading and Deceptive Conduct	<ul style="list-style-type: none"> Expansion and clarification of cover 	<ul style="list-style-type: none"> Cover is expanded to include the Misleading and Deceptive Conduct provisions of the ASIC Act 2001. The intention of this Cover has always been to Cover Civil Liability Claims arising from unintentional breaches of the consumer protection provisions of the Trade Practices Act and State Fair Trading Acts. This is now stated in more specific language. Reference to the Trade Practices Act (TPA) has now changed to the Competition and Consumer Act 2010 (CCA) as the TPA has been replaced by the CCA.
3.2 h) Breach of warranty of authority	<ul style="list-style-type: none"> Expansion of cover 	<p>Cover is expanded to include a breach of a warranty or authority by or on behalf of the Insured where such breach is committed in good faith and in the belief that appropriate authority was held.</p>
3.3 Claims Investigation Costs	<ul style="list-style-type: none"> Clarification of cover 	<p>Cover for Claims Investigation Costs is only in respect to Covered Claims and subject to Section 5.3 of the Policy.</p>
3.4 Employment Practices Liability	<ul style="list-style-type: none"> New Optional Extension 	<p>Employment Practices Liability Cover has been added as an optional extension on the same basis as to the cover We offer under Our standard Professional Indemnity policy.</p>
3.5 Enquiries	<ul style="list-style-type: none"> Expansion and clarification of cover 	<ul style="list-style-type: none"> This Cover has been extended to include legal costs and expenses with respect to any legal or quasi-legal enquiry. Previously Cover was restricted to disciplinary and coronial proceedings only. It now includes enquiries conducted by regulatory, licensing or statutory bodies. The sub-limit for this Cover has been increased from \$100,000 to \$250,000. Enquiries Cover now specifically states that it applies to all the entities and persons Covered by this Policy.
3.6 Continuous Cover	<ul style="list-style-type: none"> Clarification of cover 	<ul style="list-style-type: none"> Section 3.6 a) has been added to exclude Cover when fraudulent non-disclosure occurs, consistent with the provisions under Section 54 of the Insurance Contracts Act 1984. Also the provisions of this Section 3.6 have been expanded to apply to those persons/entities Covered under Section 4.2 of the Policy.

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3.7 Court Attendance Costs	<ul style="list-style-type: none"> New cover 	<p>For any Principal, Former Principal or Employee who is required to physically attend at Court for the purposes of giving evidence as a witness in connection with a Claim or Covered Claim, then Claims Investigation Costs will include the following payments per day on which attendance at Court is required:</p> <p>a) for any Principal or Former Principal: \$500.</p> <p>b) for any person who was or is an Employee: \$250.</p> <p>No Excess applies to this Cover.</p>
3.8 Advancement of Claims Investigation Costs	<ul style="list-style-type: none"> New cover 	<p>If We elect not to take over conduct of any Claim, We will pay all reasonable and necessary Claims Investigation Costs provided that:</p> <p>a) Cover has not already been denied; and</p> <p>b) Our written consent has been obtained prior to such costs being incurred.</p> <p>We reserve the right to recover such costs:</p> <p>i. if the Insured admits in writing to fraudulent, dishonest, malicious or intentional conduct; or</p> <p>ii. it's established, directly or indirectly, by judgment or other final adjudication that the Insured was not entitled to Cover.</p>
3.9 Statutory Liability Cover	<ul style="list-style-type: none"> New cover 	<ul style="list-style-type: none"> Notwithstanding the fines and penalties exclusion and the definition of Claim, the Policy Covers the Insured (to the extent permitted by law) against any Penalty payable by the Insured (and/or, those Covered under Section 4.2 of this Policy). Cover is inclusive of Statutory Liability Defence Costs incurred in connection with such Penalty specified above. Sublimited to \$500,000 for the payment of any and all Penalties and Statutory Liability Defence Costs. The sub-limit is inclusive of the Policy Limit. This Cover is subject to an Excess of \$5,000.
3.10 Run-off Cover for Insured's until the end of the Policy Period	<ul style="list-style-type: none"> Clarification of cover 	<p>For Insured entities that ceased, are disposed of, merged or acquired (Run-Off Event) during the Period of Insurance, Cover will continue for such entity up until the expiry date for acts, errors or omissions prior to the date the Run-Off Event occurred.</p>
3.11 Public Relations Cover	<ul style="list-style-type: none"> New cover 	<ul style="list-style-type: none"> We will pay the reasonable and necessary fees, costs and expenses of a public relations consultant to design and implement a Publicity Campaign, to prevent or mitigate damage to the reputation of the Insured in consequence of a Claim. Sublimited to \$50,000 which is inclusive of the Policy Limit and subject to an Excess of \$1,000.

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3.12 Fidelity Cover	<ul style="list-style-type: none"> New Optional Extension 	<p>We Cover the Insured for any Fidelity Loss where such Fidelity Loss:</p> <ol style="list-style-type: none"> is sustained by reason of any dishonest or fraudulent conduct of an Employee or student; is first discovered by the Insured during the Period of Insurance; We are told about in writing as soon as reasonably practicable during the Period of Insurance; and is caused by dishonest or fraudulent conduct committed by an Employee or student within a period of thirty six (36) months before being first discovered by the Insured.
3.14 Vicarious Liability for Medical Practitioners	<ul style="list-style-type: none"> New cover 	<p>We Cover the Insured for any Claim otherwise Covered by this Policy arising from the Insured's vicarious liability for and non-delegable duty of care in respect of the provision of Health Care Services by Medical Practitioners.</p>
3.15 Molestation Defence Costs Cover	<ul style="list-style-type: none"> New cover 	<ul style="list-style-type: none"> Notwithstanding the conduct excluded by Section 6.21, We will to the extent permitted by law, pay all reasonable and necessary Claim Investigation Costs of investigating, defending or settling any Claim or Enquiry in respect to such conduct in so far as such conduct was committed or allegedly committed by an Employee or student in the course of the provision of Health Care Services. Sublimated to \$250,000 which is inclusive of the Policy Limit and subject to an Excess of \$20,000.
3.16 Extended Notification Period	<ul style="list-style-type: none"> New cover 	<p>In the event that this Policy is not renewed or is cancelled for any reason other than non-payment of premium then the Insured has until such time that the Insured effects another insurance policy, either with Us or any other insurer(s), or a period of thirty (30) days commencing on the day immediately following expiry/cancellation of this Policy, whichever is sooner, to notify Us of any Claims made while this Policy is in force.</p>
3.17 Free legal consultation	<ul style="list-style-type: none"> New cover 	<p>During the Period of Insurance the Insured is entitled to up to two hours in total of free legal advice from the appointed firms and nominated practitioners listed in the Schedule on any and all matters relating to the Health Care Services.</p>
4.2 b) Students	<ul style="list-style-type: none"> Clarification of cover 	<p>Cover in respect of students is only in respect of students assigned to and under the direct supervision and control of the Insured.</p>
4.2 d) Prior Corporate Entity	<ul style="list-style-type: none"> Clarification of cover 	<p>Cover is subject to receipt by Us, at the time of any such Claim, of an express written request from the named Insured under the Policy to so extend the Policy Cover.</p>
4.2 e) ii. Former subsidiaries	<ul style="list-style-type: none"> New cover 	<p>We Cover any former subsidiary company or other incorporated entity of the Insured that is disclosed in the Proposal.</p>
4.2 f) Committee Members	<ul style="list-style-type: none"> New cover 	<p>We provide Cover for members of any fundraising or ethics committee of the Insured, in respect of Claims or losses arising from such committee activities sanctioned by and undertaken on behalf of the Insured and in connection with its Health Care Services.</p>

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4.4 Joint Venture	<ul style="list-style-type: none"> New cover 	<ul style="list-style-type: none"> If the name of a Joint Venture is included in the Schedule, then We Cover the Insured for the Insured's liability in respect of that Joint Venture. If the name of the Joint Venture is not included, then We Cover the Insured only for the acts, errors or omissions of the Insured arising from the provision of Health Care Services.
6.1 e) Known Claims and Known Circumstances	<ul style="list-style-type: none"> Clarification of cover 	The Policy now specifically excludes Known Circumstances Covered by an endorsement or amendment prior to that endorsement/amendment becoming effective.
6.3 d) Assumed duty or obligation	<ul style="list-style-type: none"> Clarification of cover 	The Policy excludes Claims arising from any Civil Liability which the Insured agrees to accept which is more onerous than that which the Insured would otherwise have at common law.
6.4 Related parties	<ul style="list-style-type: none"> Restriction of cover 	The Policy specifically excludes Claims brought by any: <ul style="list-style-type: none"> person or entity which has over 10% of the voting shares/ rights or executive role in the operation of the Insured. company in respect of which the Insured holds more than 10% of the voting shares or rights and/or an executive role.
6.5 Refund of fees and trading debts	<ul style="list-style-type: none"> Restriction of cover 	The Policy now specifically excludes Claims : <ul style="list-style-type: none"> for the costs and expenses incurred by or on behalf of the Insured in complying with any contractual obligations or making good any faulty product; arising directly or indirectly from the provision of cost guarantees, estimates of probable costs, estimates of probable financial savings or contract price or cost estimates being exceeded.
6.6 Profit	<ul style="list-style-type: none"> Restriction of cover 	The Policy now specifies there is no Cover under this Policy for any component of profit derived or derivable by the Insured from the sale or supply of any goods, services or rights by or on behalf of the Insured .
6.7 Insolvency	<ul style="list-style-type: none"> Restriction of cover 	The Policy excludes Claims arising from the insolvency of the Insured .
6.8 Goods and Workmanship	<ul style="list-style-type: none"> Expansion of cover 	There is a write-back of Cover in the Exclusion to a breach of a professional duty of care during the actual provision of Health Care Services .
6.9 b) Employers' Liability	<ul style="list-style-type: none"> Clarification 	The amendment is to clarify that the Policy excludes workers compensation type claims.
6.11 Intentional Damage	<ul style="list-style-type: none"> Restriction of cover 	Subject to the Cover provided by Section 3.2 e), the Intentional Damage exclusion has been expanded to exclude any wilful breach of a statute, contract or duty by an Insured .
6.12 Deregistration	<ul style="list-style-type: none"> Restriction of cover 	The Policy now specifically excludes Claims arising from acts, errors or omissions by or of behalf of the Insured which occurred at a time when a registration to be entitled to practise or provide Health Care Services is not held, was cancelled or suspended.
6.13 Asbestos	<ul style="list-style-type: none"> Expansion of cover 	There is a write-back of Cover in the Exclusion for Claims or Covered Claims arising from the provision of Health Care Services for the treatment of asbestos related diseases or illnesses.

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6.15 War and uprising	<ul style="list-style-type: none"> Expansion of cover 	There is a write-back of Cover in the Exclusion for Claims or Covered Claims arising from the provision of Health Care Services by or on behalf of the Insured for any bodily injury (including mental anguish or emotional distress), sickness or disease caused by any of the acts specified in this Exclusion.
6.17 Pollution	<ul style="list-style-type: none"> Restriction of cover 	The Policy excludes Claims arising directly or indirectly out of the discharge, dispersal, release or escape of Pollutants .
6.21 Sexual and other Misconduct	<ul style="list-style-type: none"> Restriction of cover 	Subject to the Cover provided by Section 3.15, the Policy now specifically excludes Claims directly or indirectly related to any actual or alleged molestation of, interference with, bullying of, mental abuse of or physical abuse of any person.
7.14 Other insurance which may cover the risk	<ul style="list-style-type: none"> New policy provision 	The Insured must immediately advise Us in writing of any insurance already effected or which may subsequently be effected which covers the same risk Covered by this Policy .
7.15 Material change in the risk	<ul style="list-style-type: none"> New policy provision 	The Insured must immediately advise Us in writing of any material change in the risk Covered by this Policy .
8.5 Dishonesty and fraud or Fidelity Special provision	<ul style="list-style-type: none"> Clarification of cover 	There is no Cover under this Policy for any Claim or Fidelity Loss arising from or related to or which involves any dishonest, fraudulent, criminal, malicious acts, errors or omissions other than as Covered pursuant to Section 3.2 e) and Section 3.12 of this Policy .
Section 9	<ul style="list-style-type: none"> New policy provisions 	New provisions introduced for the new Fidelity Cover optional extension.
Section 10	<ul style="list-style-type: none"> New policy provisions 	New provisions introduced for the new Employment Practices Liability optional extension.
12.1 The Insured can cancel the Policy	<ul style="list-style-type: none"> New policy provisions 	The Insured can cancel the Policy subject to a time on risk premium which will be calculated on a pro rata basis, subject to a minimum administration charge of \$250 plus charges.
13.2 Definition of Claim	<ul style="list-style-type: none"> Expansion of cover 	<p>Definition of Claim has been extended to now include any:</p> <ol style="list-style-type: none"> i. written; or ii. verbal demands <p>from a third party claiming compensation.</p> <p>Previously only legal proceedings or arbitration fell within the definition of Claim.</p>
13.3 Definition of Claim Investigation Costs now includes declaratory and/or other equitable relief	<ul style="list-style-type: none"> Expansion of cover 	Definition of Claim Investigation Costs has been extended to now include any originating process (in a legal proceeding or arbitration), cross claim or counter claim or third party or similar notice or written or verbal demand from a third party claiming declaratory and/or other equitable relief against the Insured arising in the course of the conduct of the Insured Business .
13.4 Definition of Cover	<ul style="list-style-type: none"> Clarification of cover 	Definition of Cover specifically states it does not include any component of profit.
13.6 Definition of Documents	<ul style="list-style-type: none"> Expansion of cover 	Definition of Documents has been extended to include electronically stored data, software, or computer programs for or in respect of any computer system.

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13.7 Definition of Employee	<ul style="list-style-type: none"> Expansion and clarification of cover 	<p>Definition of Employee has been expanded to now include:</p> <ul style="list-style-type: none"> parties who are under a contract <i>for</i> service with the Insured (excluding independent contractors); and volunteer workers <p>who are under the Insured's direction, control and supervision.</p>
13.8 Definition of Enquiry	<ul style="list-style-type: none"> Expansion of cover 	<p>Consistent with the change to Section 3.5, the definition of Enquiry has been expanded to include any legal or quasi legal enquiry, ie no longer restricted to professional disciplinary or coronial proceedings.</p>
13.12 Definition of Health Care Services (formerly 'Insured Establishment')	<ul style="list-style-type: none"> Amended definition 	<p>Reference to 'Insured Establishment' has been replaced with 'Health Care Services' which means any care, treatment, advice, service or goods in respect of the physical or mental health of any person, provided by or on behalf of the Insured in the course of the conduct of the Insured Business.</p>
13.14 Insured Business	<ul style="list-style-type: none"> New definition 	<p>Reference to 'Insured Business' means the business specified in the Schedule.</p>
13.15 Definition of Intellectual Property	<ul style="list-style-type: none"> Expansion of cover 	<p>Consistent with the expansion of Cover in Section 3.2 f), a definition for 'Intellectual Property' has been added.</p>
13.16 Definition of Joint Venture	<ul style="list-style-type: none"> Expansion of cover 	<p>Consistent with the expansion of Cover by the inclusion of Section 4.4, a definition for 'Joint Venture' has been added.</p>
13.17 Definition of Known Circumstance	<ul style="list-style-type: none"> Clarification and restriction of cover 	<ul style="list-style-type: none"> Consistent with the change to Section 6.1, the Policy now specifies that any fact, situation or circumstance that the Insured was aware of, that might result in a Claim Covered by an amendment/endorsement to the Policy prior to that amendment/endorsement being effected now falls within the definition of Known Circumstance. For the purposes of the definition of 'Known Circumstances' only, Insured now also includes any of the persons or entities specified in Sections 4.2 and/or 4.3 of the Policy.
13.19 Definition of Medicare Benefits Fraud	<ul style="list-style-type: none"> New definition 	<p>Consistent with the expansion of Cover in Section 3.2 d), a definition for 'Medicare Benefits Fraud' has been added.</p>
13.22 Definition of Pollutants	<ul style="list-style-type: none"> Restriction of cover 	<p>Consistent with the addition of Section 6.17, a definition of 'Pollutants' has been included.</p>
13.25 Definition of Publicity Campaign	<ul style="list-style-type: none"> Expansion of cover 	<p>Consistent with the expansion of Cover by the inclusion of Section 3.11, a definition of 'Publicity Campaign' has been included.</p>
13.26 Definition of Run-Off Event	<ul style="list-style-type: none"> Expansion of cover 	<p>Consistent with the expansion of Cover by the inclusion of Section 3.10, a definition of 'Run-Off Event' has been included.</p>

The description of the **Cover** provided by the **Policy** is a summary only. The **Cover** described is subject to specific terms, conditions and exclusions specified in the **Policy** and subject to underwriting terms and acceptance criteria.

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